

21100109



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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.) EXAMINATION, FEBRUARY 2021

Fifth Semester

Optional Core : CO 50 CT 01—INCOME TAX—I

(B.Com. Model II Finance and Taxation, B.Com. Model III, B.Com. Model I Finance and Taxation)

(2017 Admission onwards)

Time : Three Hours

Maximum Marks : 80

Part A

*Answer any **ten** questions.
Each question carries 2 marks.*

1. Who is an assessee ?
2. What is Casual income ?
3. State clearly the difference between an Ordinarily resident and a non-resident.
4. Define the term 'Salary'.
5. Write a brief note on taxable allowances.
6. Write a brief note on house-rent allowance.
7. Define 'Annual value'.
8. What is standard rent ?
9. Define Profession.
10. Expand : 1) DIN ; 2) ITAT.
11. What is meant by unabsorbed depreciation ?
12. Explain the term 'Capital Assets'.

(10 × 2 = 20)

Part B

*Answer any **six** questions.
Each question carries 5 marks.*

13. State clearly the difference between Gross total income and Total income.
14. Distinguish between Widely- held company and Closely - held company.

Turn over





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15. How is residence of assesses determined for income tax purposes ?
16. What is partially taxable allowances ?
17. What is meant by perquisites ? Give four examples of tax free perquisites.
18. Write a short notes on : a) Leave salary ; and b) Profit in lieu of salary.
19. What deductions are allowed to a businessman in computing profit ?
20. Define provident fund and explain the tax treatment of provident fund.
21. Mr. Kuriakose, who was born and brought up in India, went for further studies to UK, on 1st March, 2018 and came back to India on 1st October, 2019 early in the morning. Find out his residential status for the Assessment Year 2020 — 21.

(6 × 5 = 30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. State the items of income from house property which are not liable to tax.
23. From the following information, determine the annul value of the house :

Municipal Value	..	₹ 80,000
Fair rent	..	₹ 1,20,000
Standard rent	..	₹ 1,00,000

The house was self occupied for four months and then let - out a) @ ₹ 10,000 p .m. b) @ 15,000 p.m.
Municipal tax paid by the owner ₹ 10,000.

24. P & L A/c of a trader shows Net profit of ₹ 3,38,000 after debiting following items. Find out income from business for the Assessment Year 2020 - 21.
 - 1) Payment of income tax ₹ 7,000 and income tax proceeding expenses ₹ 11,000.
 - 2) Interest on loan taken for payment of income tax ₹ 1,000.
 - 3) GST ₹ 1,800 and interest ₹ 4,000 for delay in payment of GST.
 - 4) Cash payment to a creditor ₹ 28,000.
 - 5) Municipal tax ₹ 1,800. 1/3 portion of house is used for business and half portion is used for self residence and remaining portion is let out.





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25. From the following information compute the taxable income under the head 'Salaries' of Mr. Hentry, who is working as driver with a transport company at Sikkim for the assessment year 2020-21 :

- (i) Salary ₹20,000 p.m.
- (ii) Dearness allowance ₹1,500 p.m.
- (iii) Bonus equal to one month's pay.
- (iv) Remote Locality Allowance ₹1,500 p.m.
- (v) Allowance to meet his personal expenses while on duty ₹3,000 p.m.
- (vi) Children Education Allowance ₹195 p.m. (For 3 children @ ₹65 p.m. per children)
- (vii) One son of Mr. Hentry lives in a hostel for studies and the employer pays ₹400 p.m. to meet hostel expenditure.
- (viii) Entertainment Allowance ₹450 p.m.

(2 × 15 = 30)

